

Washington State
Department of Financial Institutions
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**State warns of opportunistic
investment frauds in wake of terrorist attacks**

Following the terrorist attacks on the World Trade Center and the Pentagon, Washington state's Securities Director Deborah Bortner is warning investors to be on the lookout for "scams of opportunity" that capitalize on the headlines and prey on people's fears.

"Telephone salespeople, advertisements, junk emails, or Internet Web sites that pitch commodities, exotic financial products, or supposed anti-terrorist technologies should be a red flag for investors," Bortner said, adding that investors should be especially wary of invitations to send their money offshore to so-called "safe havens."

"There are always people who will try to take advantage of the investing public, particularly in the aftermath of tragedies or major financial or social changes," said Bortner. "Investors should never make hasty decisions about their investments or finances, and that's especially true in times of confusion, fear and uncertainty. We must have faith that our economy, which is the most diverse and productive in the world, will weather this storm as it has all others," she said.

Bortner recalled that many con artists exploited fears associated with the Year 2000 computer bug to tout investments in precious metals, emergency preparedness scams and non-existent technology companies. She said that investors should always follow these common-sense rules on investing:

- Hang up on aggressive cold callers promoting "safe" investments such as precious metals, oil, or gas and ignore unsolicited e-mail or Internet chat room talk about small companies with new anti-terrorist technologies or products;
- Request written information that fully explains the investment, such as a prospectus or offering circular. The documentation should contain enough clear and accurate information to allow you or your financial adviser to evaluate and verify the particulars of the investment; and
- Use common sense. Some things really are too good to be true. Get a professional, third-party opinion when presented with investment opportunities

that seem to offer unusually high returns in comparison to other investment options. Pie-in-the-sky promises often signal investment fraud.

- Before doing business with a stockbroker, investment or franchise promoter, call the Washington State Securities Division at 360-902-8760 or 800-372-8303 to find out if they are properly registered or have a disciplinary history.

For information on investing, call the Department of Financial Institutions Securities Division, at 800-372-8303 (toll-free for Washington residents). On the Internet, go to <http://www.dfi.wa.gov/sd>.

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